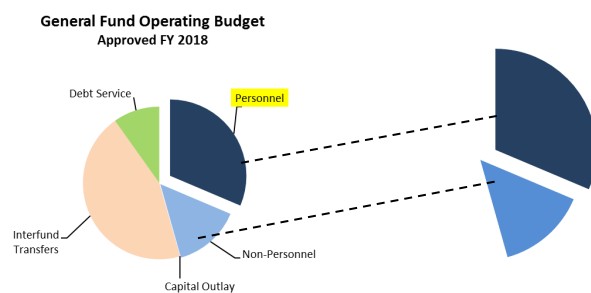


Personnel & Compensation Summary



FY 2018 INTRODUCTION & HIGHLIGHTS

The City of Alexandria continues to invest in its workforce in order to recruit and retain the best talent. When excluding debt service, interfund transfers (including to Alexandria City Public Schools for all operating costs) and capital outlays, just over two-thirds (69%) of the City's remaining core General Fund operating expenses are utilized for personnel, consisting of salaries and benefits. Salaries are provided for full-time, part-time and seasonal employees, while fringe benefits for qualifying employees include healthcare, retirement, social security, long-term disability, and life insurance.



TOTAL \$728.1 MILLION

General Fund Personnel	
Salaries	153,729,808
Fringe Benefits	74,787,924
Total Personnel	228,517,732

General Fund Non-Personnel	
Total Non-P	103,865,702

Grand Total	\$332,383,434
Personnel	69%
Non-Personnel	31%

Other personnel and compensation highlights from the FY 2018 budget include:

- Employees are eligible for a merit-based pay increase ranging from 2.3% to 5.0% of salary grade and step. Approximately \$5.0 million is included for merit-based pay increases in FY 2018. The FY 2018 budget includes an additional 2.3% step on the pay scale for all pay scales at a cost of \$800,000 for total step increases of \$5.8 million. In FY 2018 over 500 employees will be eligible for this new step and all employees will be eligible for this step in the future. This added step also increases the City's competitive position in relation to recruitment and retention. The FY 2019 full year (This costs for FY 2018 and FY 2019) cost would be approximately \$1.8 million. This is largely funded by the savings from the lump sum retirement reform.
- A special dual-role incentive pay has been approved for FY 2018 in AFD. Staff who are certified Firefighters and have Advanced Life Support certification are considered "dual-role" and therefore would be eligible for this pay. A frontline employee including new recruits who has or earns dual-role status and is currently performing those duties, will receive a \$5,000 retention bonus and an additional \$5,000 in annual incentive pay broken out per pay period over the course of a year for every year that employee maintains their dual-role status. Supervisory staff will receive a one time \$3,500 bonus upon attainment of dual-role certification and will also receive an annual added pay of \$3,500 to incentivize them to achieve and maintain dual-role certification. This pay incentive is intended to attract and retain dual-role providers as well as incentivize existing staff to convert and to maintain dual-role status. Fire predicts 40 existing and new staff members will be eligible for this pay in FY 2018, yielding a total expenditure of \$395,614 for bonuses, annual pay and associated benefits. Eventually about 60 AFD employees are needed to have dual role certification.
- In FY 2018, the calculation for lump sum pay outs from the City Supplemental Retirement Plan available at retirement begins to be revised to reflect market rates of return and preserve long-term plan sustainability. This will reduce the lump sum option amount available to employees with no impact on the monthly benefit (annuity) option. Many comparable defined benefit plans no longer offer a lump sum option. The savings in FY 2018 due to revised employer contributions is approximately \$800,000. In FY 2019 the savings become approximately \$1.5 million per year. The long term impact is to ensure the long term sustainability of the defined benefit provided to all employees. Additional changes in the lump sum option rates will be studied and implemented at a future date.

Personnel & Compensation Summary



FY 2018 INTRODUCTION & HIGHLIGHTS

- Since the start of CY 2014, City Council has allocated approximately \$3.0 million to fund career ladder elevations within the City's 27 general scale and public safety career ladders, resulting in 459 unique elevations. This trend continues in the FY 2018 budget with \$544,000 budgeted for potential elevations within existing career ladders.
- On a net basis, the FY 2018 budget includes an increase in FY 2018 of 0.75 Full-Time Equivalents (FTEs) overall from the Adjusted FY 2017 count. The FY 2017 count has been modified from the FY 2017 approved figures to reflect mid-year adjustments. This brings the total FTE count for the City to 2,564.86 in FY 2018, which is 99.14 FTEs less than the peak of 2,664 FTEs in FY 2009.
- The Library will undergo a Branch Reorganization that eliminates 3.0 FTE Supervisors in the Circulation Departments of three Library branches. These positions will be replaced with one 1.0 FTE Supervisor who will be a lead manager for all three locations. One 1.0 FTE Library Assistant position will also be added. One vacant 0.5 FTE Library Assistant I position will be eliminated. The 0.4 FTE Librarian I position that implements the Talking Books program will increase to 0.5 FTE.
- One vacant Firefighter overhire position was reduced in the Alexandria Fire Department (AFD) and 17 Police Officer overhires were added in the Alexandria Police Department (APD). While overhires do not count towards the official FTE count in the City, they are included in personnel costs. The APD overhires increased personnel costs from the General Fund by approximately \$0.9 million while the reduction from AFD decreased personnel expenditures from the General Fund by approximately \$85,000. Due to recent progress in AFD of converting single role providers to dual-role status, the reliance on overhires, has been reduced, resulting in the reduction of one overhire.
- The *Call.Click.Connect.* service, previously under the City Manager's Office was merged with the Department of Emergency Communications (DEC) transferring 6.5 FTEs into DEC. One *Call.Click.Connect.* Manager at 1.0 FTE, and three Call Takers at 2.5 FTEs were transferred from the City Manager's Office into DEC. One Communications Clerk at 1.0 FTE moved into DEC from Code Administration. Two Communications Clerks at 2.0 FTEs from Transportation and Environmental Services (T&ES) were also transferred to DEC. Two Public Safety Communications Officers, that were eliminated in FY 2017 were restored in FY 2018 to provide services for the additional non-emergency calls that will come into DEC with the *Call.Click.Connect.* merger. One Senior Engagement Liaison at 1.0 FTE was transferred from the City Manager's Office to the Office of Communications and Public Information (OCPI) as a part of the merger. The net impact of the entire merger was 2.0 added FTEs in FY 2018. All other positions were the result of inter City transfers.
- To encourage transit use and vanpooling, and in order to meet the region's air quality standards, the City will continue to offer its transit incentive program to employees in FY 2018. Regular City employees will be eligible to receive up to \$100 per month on a pre-tax basis, unchanged from FY 2017.

Personnel & Compensation Summary



FICA & RETIREMENT (INCLUDING VRS)

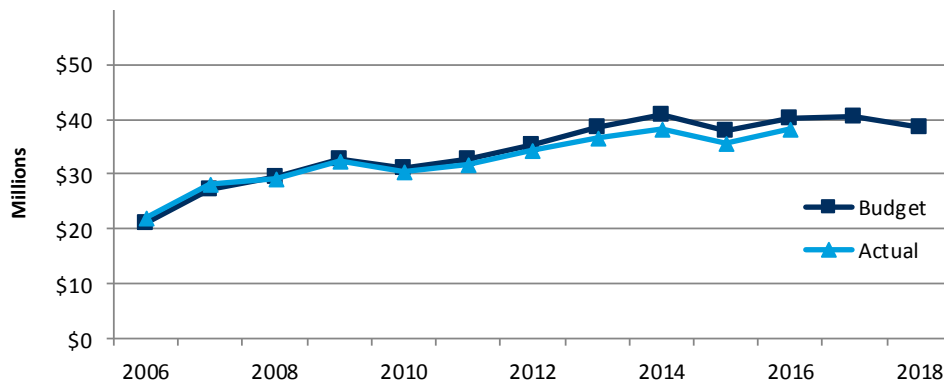
Federal Insurance Contributions Act (FICA)

This represents the City share of Social Security and Medicare taxes, which is budgeted at \$15.73 million for All Funds (excluding Schools) in FY 2018, \$10.95 million of which is General Fund related. The current Social Security tax rate is 6.20% of wages, and 1.45% for Medicare. The Calendar Year (CY) 2017 maximum earnings cap stays at the CY 2016 level, \$118,500. Earnings above this cap will not be taxed for Social Security, but are still subject to Medicare tax.

Retirement

The FY 2018 retirement budget represents the contribution that the City pays toward employee retirement plans, including the Virginia Retirement System (VRS) and City Supplemental Pension Plan for General Schedule employees, Sheriff's Deputies, Medics, and Fire Marshalls; and a Police/Fire pension plan for Sworn Fire Fighters and Police Officers. Since FY 2013, the retirement budget also includes the cost of Other Post Employment Benefits (OPEB) and Public Safety Line of Duty (LOD). The City's VRS contribution has been reduced from FY 2017 to FY 2018 to a rate of 7.97% from 9.81% of salary. This VRS value reduction will save \$2.1 million in FY 2018. As a result, the contribution to the Supplemental Pension Plan for General Schedule employees and for Sheriff, EMT, and Fire Marshalls, and Police/Fire pension rates was increased slightly in order to continue to make progress toward full funding of all pension plans. The rest of the decrease in retirement rates has been offset by a planned increase to address other long term liabilities related to OPEB and LOD. Increasing the rate in FY 2018 from 3.13% to 4.43% of salary for OPEB and from 4.87% to 5.21% of salary for LOD will enable the City to make progress to reach 100% of required contribution for these obligations. The chart below shows the City's actual retirement costs from FY 2002 – 2016 and the budgeted costs for retirement from FY 2002 – 2018. All City retirement plans, OPEB and LOD are a percentage of salary. While the percent of funds used to pay retirement, OPEB, and LOD has not increased from FY 2017, salaries due to merit adjustments and recent public safety pay scale and job class adjustments, impact overall retirement costs.

Retirement Costs*
All Funds



*OPEB and LOD were removed from FY 2013– FY 2018 because they were previously not budgeted in Retirement

Personnel & Compensation Summary



OPEB & LINE OF DUTY

Other Post-Employment Benefits (OPEB)

Other post-employment benefits include retiree healthcare and retiree life insurance. Currently, the City has an unfunded liability for OPEB of \$59 million. The total liability has grown by \$11 million since 2010, but the City's unfunded liability has decreased by \$9.5 million as the City gradually moves toward contributing 100% of funding for the plan. The City has increased its OPEB contribution rate from 3.13% to 4.43% of employee salary as part of a plan to get to 100% funding. These requirements and the City's continued progress will influence the credit and bond ratings of City issued debt. The FY 2018 budget provides approximately \$2.6 million in funding above current expenditures for the City's OPEB obligations, or a total of \$8.4 million from all sources.

Line of Duty (LOD)

A State mandated, but City-administered program, the Line of Duty Act (LODA) provides benefits to local government employees and volunteers who hold specific hazardous duty positions. More specifically, it requires by State statute the City pay the full cost of benefits for first responders who die or become disabled in the line of duty. Health coverage is provided to the disabled employee, their surviving spouse and dependent children. If disabled, healthcare benefits terminate upon the disabled person's death, recovery, or return to full duty. The City currently has an unfunded liability of \$16 million for LOD. Similar to OPEB, the City's contribution to LOD increased from 4.87% to 5.21% of employee salary as part of an intentional funding plan to make progress toward 100% funding. The FY 2018 budget provides approximately \$0.3 million in new funding above current expenditures for the City's Line of Duty obligations, or a total of \$3.1 million.

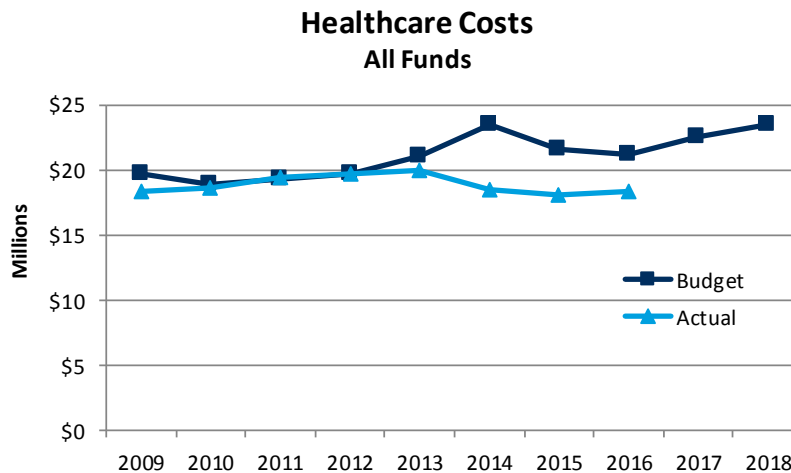
Personnel & Compensation Summary



HEALTHCARE

Healthcare

Healthcare represents the share that the City pays for employee healthcare benefits. The chart below shows actual healthcare costs from FY 2009 – FY 2016, and the budgeted amount for healthcare from FY 2009 – FY 2018.



The FY 2018 budget assumes premiums are increasing 9.5% for Kaiser plans, and 18.1% for United Healthcare plans. The budget does not recommend a change to the current employer/employee premium cost sharing formula in which employees pay a minimum 20% share in HMO plans.

Personnel & Compensation Summary



LIFE INSURANCE, DISABILITY COVERAGE, AND PTO

Group Life Insurance Benefit & Long Term Disability Coverage

Regular full and part-time employees are provided basic group term life insurance at one or two times base salary depending on the employee's date of hire. Long term disability coverage is also provided to benefit eligible employees (excluding police officers and firefighters). Employees also have the option to purchase supplemental group term life insurance coverage and dependent life insurance coverage at their own expense. The table below provides information on the specific coverage available to employees. The rate for the City Paid Basic Life Insurance will increase due to plan experience from \$0.283 a month per thousand dollars of coverage to \$0.325 per month effective July 1, 2017 yielding an increase of 14.8% in City expenditures. The City is currently working on adjusting the employee's share of Group Life insurance coverage contributions to one that is based on employee age. This will help offset the current adverse selection experience that is one reason life insurance costs are increasing. There is \$104,061 budgeted in Non-Departmental to cover increased employer-paid life insurance costs in FY 2018. These increases are offset by decreased employer contributions to the City's Supplemental Retirement Plan. These items will be distributed to department budgets in the approved budget.

Standard Insurance Company	
Group Life and Accidental Death & Dismemberment Coverage:	
Basic - City Funded (hired before 7/1/2009)	2x Annual Salary
Basic - City Funded (hired after 7/1/2009)	1x Annual Salary
Supplemental - Employee Paid	1 or 2x Annual Salary
Line of Duty Coverage:	
Police Officers and Firefighters Only - City Funded	\$200,000
Long Term Disability*	
120 Day Plan - City Funded	City Pays 0.266% of Insured Earnings
90 Day Plan - City & Employee Funded	Employee Pays 0.10% of Insured Earnings; City Pays Remaining Cost

*Rates are effective as of 03/1/2015

Generally, full-time regular employees hired since January 1, 2014 in General Schedule positions have been placed into the VRS Hybrid plan unless they are already participating in VRS from previous employment. The VRS Hybrid plan does not offer disability benefits as part of its core provisions. VRS has offered the VLDP (Virginia Local Disability Plan) for jurisdictions who do not elect to opt out. However, the City of Alexandria has opted out of the VLDP plan, and provides a comparable disability plan with equal or greater value.

Paid Time Off (PTO)

City employees are eligible for 11 paid holidays per year in addition to their accrual of annual and sick leave. The table below outlines the rates at which new employees accrue annual and sick leave. The annual leave accrual rate was increased from 3.69 to 4.0 hours per pay period (for full-time employees working 80 hours per pay period) in FY 2010 in order to provide employees with 1 additional day of annual leave. This action was taken in response to a study which found that the City was ranked low in the category of paid time off when compared to our comparator jurisdictions.

Paid Time Off*	
Holidays	11 Holidays Annually
Annual Leave	New employees accrue 4.0 hours of leave per pay period, totaling 13 days of annual leave earned per year. For length of service spanning from 1 year to 11 years, the employee earns an additional day of annual leave per year of service with the City; at year 12 and beyond, the employee reaches the max of 25 days of annual leave per year, or 7.72 hours accrued per pay period.
Sick Leave	All employees accrue 3.69 hours of leave per pay period

*For full-time employees working 80 hours per pay period; prorated for part-time employees.

Personnel & Compensation Summary



CITY WORKFORCE BY FULL-TIME EQUIVALENT (FTE)

As shown below by Focus Area, the FY 2018 budget includes a net increase of 0.75 FTEs from the FY 2017 Amended total, which is a slight increase in the overall City workforce. FY 2017 Amended calculates for clean up of actual position counts performed by Human Resources and the Office of Management and Budget as well as mid-year adjustments such as transfers or reclassifications.

	FY 2016 Amended	FY 2017 Approved	FY 2017 Amended	FY 2018 Approved	FTE Impact
Accountable, Effective, & Well-Managed Government					
City Council	1.00	1.00	1.00	1.00	0.00
City Manager	14.50	14.50	14.50	10.00	(4.50)
Office of Management & Budget	11.00	11.00	11.00	10.00	(1.00)
Performance & Accountability	4.00	4.00	4.00	3.00	(1.00)
Information Technology Services	58.00	57.00	56.00	60.00	4.00
Internal Audit	2.00	2.00	2.00	3.00	1.00
Communications & Public Information	7.00	7.00	7.00	8.00	1.00
City Clerk & Clerk of Council	3.00	3.00	3.00	3.00	0.00
Finance	104.50	104.50	104.50	104.50	0.00
Human Resources	24.00	23.00	23.00	23.00	0.00
City Attorney	14.00	14.00	14.00	15.00	1.00
General Services	69.20	70.60	70.20	71.20	1.00
Registrar	6.60	6.60	6.60	6.60	0.00
Subtotal Accountable	318.80	318.20	316.80	318.30	1.50
Healthy & Thriving Residents					
Community and Human Services	585.48	570.23	584.65	582.65	(2.00)
Health	15.43	16.13	16.63	16.63	0.00
Recreation & Cultural Activities	154.25	149.30	155.48	152.38	(3.10)
Library	72.00	69.50	70.36	68.96	(1.40)
Subtotal Healthy	827.16	805.16	827.12	820.62	(6.50)
Livable, Green, & Prospering City					
Planning & Zoning	45.50	45.50	45.50	46.50	1.00
Project Implementation	24.00	24.00	24.00	24.00	0.00
Transportation & Environmental Services	209.00	221.50	214.50	212.00	(2.50)
Code	53.50	53.50	52.62	51.62	(1.00)
Housing	15.00	15.00	15.00	15.00	0.00
Historic Alexandria	25.50	26.45	26.45	27.20	0.75
Subtotal Livable	372.50	385.95	378.07	376.32	(1.75)
Safe, Secure, & Just Community					
18th Circuit Court	13.00	13.00	13.00	13.00	0.00
Commonwealth's Attorney	27.00	28.00	27.00	27.00	0.00
Sheriff	210.00	210.00	210.00	210.00	0.00
Clerk of the Circuit Court	22.00	22.00	22.00	22.00	0.00
Court Services	7.00	8.00	8.00	8.00	0.00
Human Rights	6.00	6.00	6.00	6.00	0.00
Fire	278.00	278.00	278.00	278.00	0.00
Police	418.00	422.00	425.00	425.00	0.00
Emergency Communications	55.00	53.00	53.00	60.50	7.50
Subtotal Safe	1,036.00	1,040.00	1,042.00	1,049.50	7.50
GRAND TOTAL	2,554.46	2,549.31	2,563.99	2,564.74	0.75

*Amended count represents mid-year adjustments.

Personnel & Compensation Summary



FTE REDUCTIONS

The following table shows the reductions (-12.35 FTEs) of positions in the FY 2018 budget.

Department	Position	FTE Decrease
DCHS	Family Services Resource Team Supervisor	-1.00
DCHS	Account Clerk III	-1.00
DEC	Public Safety Operations Manager	-1.00
Library	Library Associate II	-1.00
Library	Library Associate II	-1.00
Library	Library Associate II	-1.00
Library	Library Assistant I	-0.50
OHA	Records Clerk	-0.25
OPA	Performance Analyst	-1.00
OMB	Budget Analyst	-1.00
RPCA	Therapeutic Recreation Leader	-0.50
RPCA	Recreation Manager I	-1.00
RPCA	Equipment Maintenance Specialist	-1.00
RPCA	Recreation Leader I	-0.60
T&ES	Transit Specialist	-0.50
TOTALS REDUCTIONS		-12.35

Note: 1.00 FTE represents a position working full-time at 80 hours per pay period. An FTE less than 1.00 represents a position that works less than FT.

Personnel & Compensation Summary



FTE ADDITIONS

The following table shows the additions (+13.1 FTEs) of positions in the FY 2018 budget and net FTE change.

Department	Position	FTE Increase
City Attorney	Assistant City Attorney I	1.00
DEC	Public Safety Communications Officer I	1.00
DEC	Public Safety Communications Officer I	1.00
General Services	Automotive Parts Specialist	1.00
ITS	Network Engineer	1.00
ITS	Systems Analyst	1.00
ITS	Network Engineer II	1.00
ITS	Security Engineer	1.00
Internal Audit	Auditor	1.00
Library	Librarian I	0.10
Library	Library Operations Supervisor	1.00
Library	Library Assistant I	1.00
OHA	Curator II	1.00
P&Z	Urban Planner I	1.00
TOTALS ADDITIONS		13.10

TOTAL REDUCTIONS	-12.35
TOTAL ADDITIONS	13.10
NET FTE CHANGE	0.75

FY 2017 AMENDED FTE COUNT	2,563.99
NET FTE CHANGE	0.75
FY 2018 PROPOSED FTE COUNT	2,564.74

Note: 1.00 FTE represents a position working full-time at 80 hours per pay period. An FTE less than 1.00 represents a position that works less than FT.

Personnel & Compensation Summary

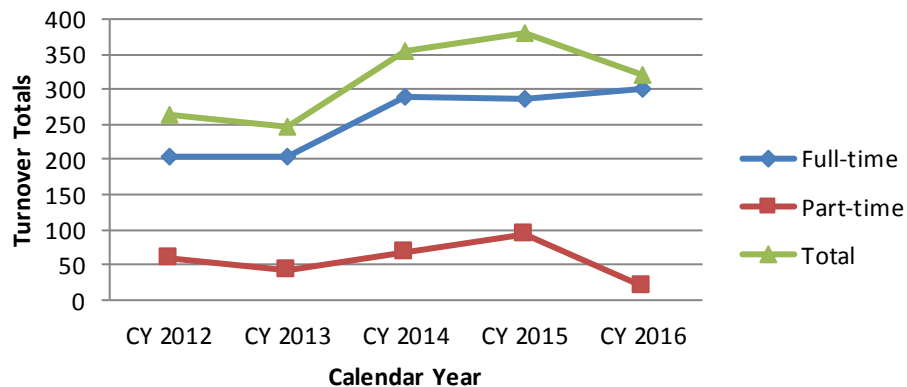


CALENDAR YEAR 2016 TURNOVER

In Calendar Year (CY) 2016, overall employee turnover decreased by 19% (from 379 to 319 employees), while a total of 74 employees retired from City service, a decrease of 5% from CY 2015.

	CY 16 Employee Turnover Totals		
	GS & PS Full-Time	GS Part-Time	Overall
Voluntary Turnover	211	13	224
Involuntary Turnover	17	4	21
Retirement	73	1	74
Total Turnover CY 2016	301	18	319
Total Turnover CY 2015	285	94	379

Total Employee Turnover by Calendar Year



Personnel & Compensation Summary



SALARY DISTRIBUTION & AVERAGES

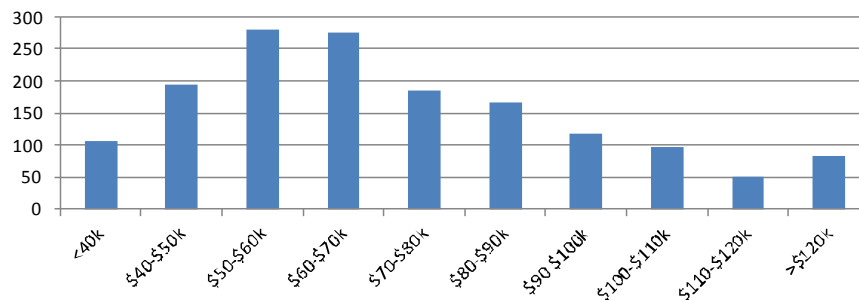
The following table shows the average annual pay for City full-time and part-time employees:

	As of 1/27/16	As of 2/08/2017	% Increase
General Schedule (FT)	\$70,797	\$72,999	3.11%
Public Safety (FT)	\$74,000	\$76,286	3.09%
General Schedule (PT)	\$24/hr*	\$20/hr*	-16.67%

*Due to the nature of part-time work, wages are calculated on an hourly rather than an annual basis.

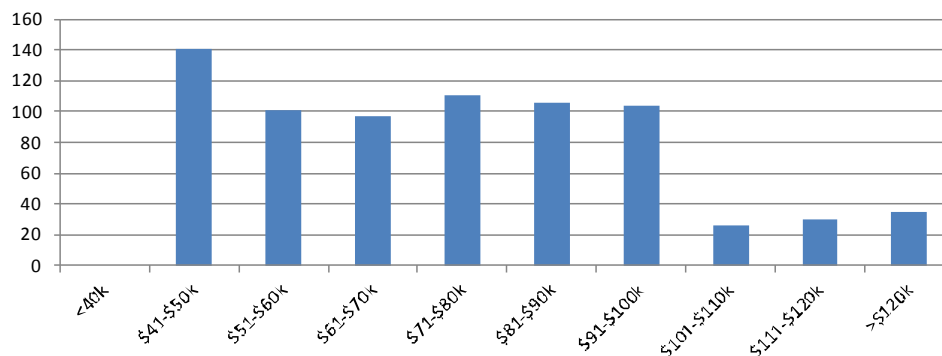
The majority of current General Schedule full-time employees (nearly 78%) earn between \$41,000 and \$100,000 annually, 45% earn more than the average salary for GS full-time employees (\$72,999), and about 15% earn more than \$100,000.

Full-Time/Regular General Schedule Employees Salary



Approximately 55% of all sworn Public Safety employees earn more than the average salary of the group (\$76,285); about 12% earn more than \$100,000.

Full-Time/Regular Public Safety Employees Salary



Personnel & Compensation Summary



YEARS OF SERVICE

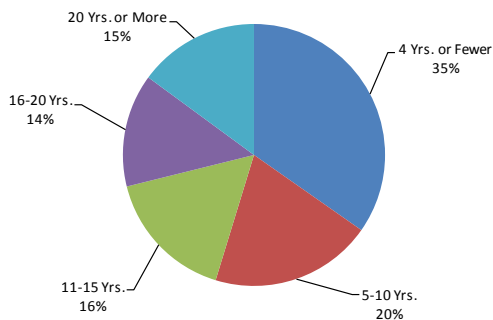
General Scale

More than half of the current General Schedule workforce (55%) has been employed with the City for 10 years or fewer. 15% have worked for the City for 20 years or more.

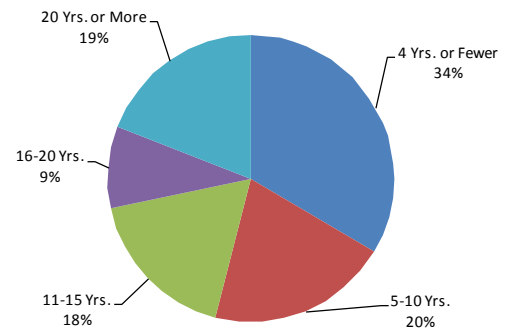
Public Safety

Similar to General Scale employees, approximately half (54%) of the current Public Safety workforce has been employed with the City for 10 years or less. 19% have worked for the City for 20 years or more.

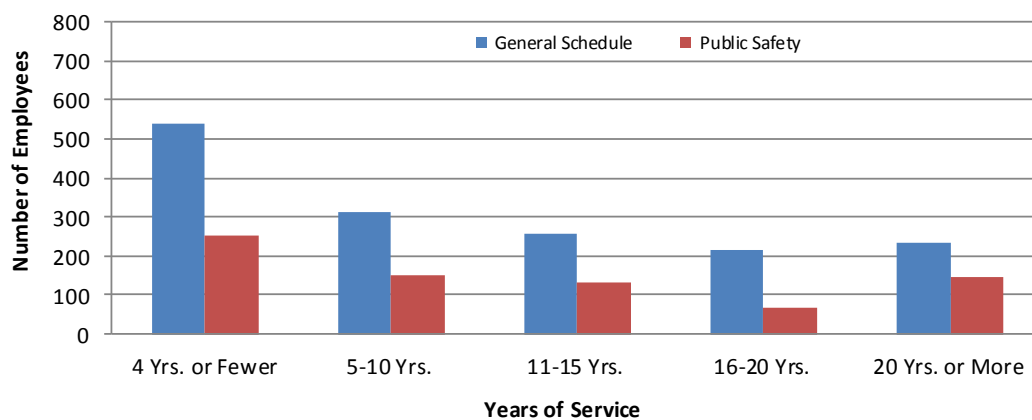
**Full-Time General Schedule
Years of Service**



**Full-Time Public Safety
Years of Service**



**Full Time- Employees
Years of Service**



Personnel & Compensation Summary



EMPLOYEE DEMOGRAPHICS

A little over three-quarters (77%) of the City's workforce fall within the ages of 30 and 59 years old.

Regular Employees by Age Distribution

